

Message Text

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PAGE 01 GENEVA 04830 01 OF 02 311411Z
ACTION STR-07

INFO OCT-01 STRE-00 ISO-00 AF-10 ARA-10 EA-10 EUR-12
NEA-10 IO-13 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01 DOE-15
OIC-02 /163 W
-----058743 311446Z /45

P 311359Z MAR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 7825
INFO AMEMBASSY SANTO DOMINGO

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 04830

USMTN

ACTION STR

STR PASS CODEL

EO 11652: N/A
TAGS: MTN, ETRD, DR
SUBJECT: MTN: CONSULTATIONS WITH DOMINICAN REPUBLIC
- DELEGATION ON US OFFERS AND FUTURE WORK PROGRAM

REF: (A) STATE 024987 (B) STATE 031614 (C) SANTO DOMINGO
1185 (D) GENEVA A-102

1. SUMMARY: US MTN DEL HAS MET WITH DOMINICAN REPUBLIC
(DR) GENEVA AMBASSADOR TO REVIEW IMPORTANCE OF US MTN
OFFERS TO DR; TO REVIEW DOMINICAN REQUESTS, AND TO INDICATE
NEED FOR ANY ADDITIONAL REQUESTS ASAP; AND TO EMPHASIZE
NEED FOR IDENTIFICATION FOR POSSIBLE DOMINICAN CONTRI-
BUTIONS BY APRIL. DR AMBASSADOR EXPRESSED APPRECIATION
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PAGE 02 GENEVA 04830 01 OF 02 311411Z

FOR REVIEW OF DR TRADE INTERESTS IN US, UNDERTOOK TO
CONTINUE REVIEW OF US OFFER TO SEE IF ADDITIONAL REQUESTS
WOULD BE NEEDED; AND NOTED HE EXPECTED TO RECEIVE
INDICATIONS OF POSSIBLE CONTRIBUTIONS OF INTEREST TO THE
US WITHIN THE NEXT SEVERAL WEEKS. END SUMMARY.

2. US MTN DEL (KNEPPER, DRAZEK) MET WITH DR GENEVA

AMBASSADOR ROSENBERG UPON HIS RETURN FROM EXTENDED STAY IN SANTO DOMINGO TO EXPLAIN US OFFERS ON AGRICULTURE AND INDUSTRIAL TARIFFS AND NONTARIFF MEASURES. US MTN DEL PROVIDED A BRIEF OVERVIEW OF HOW THE US TARIFF OFFER COULD AFFECT DUTIABLE DR EXPORTS TO THE US. ON ITEMS COVERED BY THE APPLICATION OF THE "WORKING HYPOTHESIS" (TARIFF CUTTING FORMULA) THE US OFFER WOULD MAKE GREATER THAN FORMULA CUTS LIMITED OFFICIAL USE

ON \$2.9 MILLION OF DR 1976 EXPORTS TO THE US, FORMULA REDUCTIONS ON NEARLY \$19 MILLION, AND LESS THAN FORMULA REDUCTIONS ON \$5.1 MILLION. THESE TARIFF REDUCTIONS INCLUDED 215 PRODUCTS THAT THE DR HAD EXPORTED TO THE US IN 1976, MANY OF WHICH WERE ITEMS OF WEARING APPAREL AND MANUFACTURED GOODS IMPORTED UNDER TSUS 807.00 FOLLOWING PROCESSING/ASSEMBLY IN THE DR. WITH RESPECT TO AGRICULTURAL PRODUCTS, WHICH ARE NEGOTIATED ON A REQUEST-OFFER BASIS, THE US OFFER COVERED OVER \$29 MILLION DOLLARS OF DOMINICAN EXPORTS TO THE US; SOME 29 PRODUCTS ON WHICH THE DR WAS THE PRINCIPAL SUPPLIER OF SIX: TSUS 141.55 PEAS PACKED IN SALT OR BRINE; TSUS 146.30 AVOCADOS; TSUS 146.80 CASHEW APPLES, ETC.; TSUS 152.43 CASHEW APPLES, PASTE ETC.; TSUS 156.45 COCOA SWEETENED; AND TSUS 170.45 TOBACCO FILLER LEAF. ON AN ADDITIONAL \$20.4 MILLION OF EXPORTS, NO OFFER HAD BEEN MADE BY THE US AS THE PRINCIPAL SUPPLIER HAD NOT MADE A REQUEST. THE DR WAS THE PRINCIPAL LIMITED OFFICIAL USE

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PAGE 03 GENEVA 04830 01 OF 02 311411Z

SUPPLIER ON 10 OF THESE PRODUCTS: TSUS 136.00, DASHEENS; TSUS 137.86, OTHER VEGETABLES, TSUS 136.98 AND 137.01 FRESH PEAS; TSUS 145.09, COCONUT MEAT; TSUS 148.65, PAPAYAS PREPARED OR PRESERVED, TSUS 149.15, PLANTAINS PREPARED OR PRESERVED; TSUS 152.30 ORANGE PEEL, PREPARED AND PRESERVED; TSUS 153.02 CASHEW APPLE, MANGO; TSUS 153.08 GUAVA JELLY, JAMS, MARMALADES. SHOULD THE GODR HAVE INTEREST IN MAKING REQUESTS ON ANY OF THESE PRODUCTS, IT SHOULD DO SO ASAP. IN ADDITION, DR WAS SECOND SUPPLIER ON TSUS 155.35, SUGAR SIRUPS. AS PRINCIPAL SUPPLIER, BARBADOS, IS NOT PARTICIPATING IN MTN, DR WOULD NEED TO JUSTIFY REQUESTING US OFFER ON THISPRODUCT IN TERMS OF THE BENEFITS THAT WOULD ACCRUE TO DR FROM US TARIFF CONCESSION.

3. FYI AMERICAN EMBASSY SANTO DOMINGO: FIGURES AND PRODUCTS CITED ABOVE ARE BASED UPON THE US OFFER WHICH IS CLASSIFIED AS GATT "SECRET" AND DUE TO SENSITIVITY OF THE OFFER, SHOULD NOT BE CITED IN CONVERSATIONS WITH PRESS AND PRIVATE SECTOR CONTACTS. END FYI.

4. US MTN DEL NOTED THAT IN ORDER FOR THE US TO IMPLEMENT CONCESSIONS ON PRODUCTS IN ITS' OFFERS, THE PRINCIPAL DC

BENEFICIARIES WILL NEED TO MAKE RECIPROCAL CONCESSIONS, WHILE PRINCIPAL LDC BENEFICIARIES WILL NEED TO MAKE SOME CONTRIBUTIONS TO TRADE LIBERALIZATION, CONSISTENT WITH THEIR DEVELOPMENT, FINANCIAL, AND TRADE NEEDS. US HAD INDICATED CONTRIBUTIONS IT WOULD FIND OF VALUE FROM THE DR IN APRIL 1976 IN CONJUNCTION WITH ITS' MARCH 1, 1976 OFFER

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PAGE 01 GENEVA 04830 02 OF 02 311430Z
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LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 04830

IN THE MTN TROPICAL PRODUCTS NEGOTIATIONS. NO DETAILED RESPONSE OR SPECIFIC COMMENTS HAVE, HOWEVER, BEEN RECEIVED FROM THE DR CONCERNING THE US SUGGESTED CONTRIBUTIONS. IN ADDITION, US HAD INDICATED ITS INTEREST ON AGRICULTURAL PRODUCTS AND NTM'S IN THE DR ON NOVEMBER 1, 1977, AND HAD SUBMITTED ON DECEMBER 16, A PRELIMINARY INDICATIVE LIST OF NON-AGRICULTURAL ITEMS ON WHICH IMPROVED MARKET ACCESS WOULD BE OF INTEREST TO THE US. LATTER LIST HAD BEEN MADE MORE SPECIFIC IN WASHINGTON AND WAS FORWARDED TO GODR DELEGATION ON MARCH 23. US WAS OPEN IN THE NEGOTIATIONS ON SPECIFIC GODR CONTRIBUTIONS, BUT US INDICATIONS OF ITS' EXPORT INTERESTS DID PROVIDE A RANGE FOR POSSIBLE RESPONSES.

5. CONCERNING RECENT DR REQUEST LIST (REF. D), THE DELEGATIONS AGREED TO MEET IN THE NEAR FUTURE TO EXAMINE IT IN GREATER DETAIL, AND US DEL INDICATED THAT DOMINICAN REQUESTS WERE UNDER REVIEW IN WASHINGTON. US MTN DEL NOTED, HOWEVER, THAT ON A NUMBER OF AGRICULTURAL PRODUCTS

THE DOMINICAN REQUEST HAD BEEN FOR INCLUSION IN US SYSTEM
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PAGE 02 GENEVA 04830 02 OF 02 311430Z

OF GSP. HOWEVER, GSP WAS NOT UNDER NEGOTIATION IN THE MTN, WHERE ONLY MFN BOUND TARIFF REDUCTIONS WERE BEING NEGOTIATED, AND HENCE SUCH REQUESTS WOULD NOT BE CONSIDERED. SHOULD THE GODR DESIRE TO SEEK MFN CONCESSIONS ON THESE PRODUCTS, THEY SHOULD SO MODIFY THEIR REQUEST. US MTN DEL NOTED DR HAD NOTIFIED A NUMBER OF RESTRICTIONS ON THEIR EXPORTS IN THE PUERTO RICAN MARKET, SUCH AS INSPECTION STANDARDS FEES, MONTHLY QUOTAS, AND OTHER SEASONAL RESTRICTIONS. THESE HAD ALSO BEEN NOTIFIED IN THE TROPICAL PRODUCTS NEGOTIATIONS, AND US DEL HAD REPORTED THEIR INTEREST IN THESE ITEMS TO WASHINGTON AGENCIES TO SEE IF NEGOTIATING POSSIBILITIES EXISTED.

6. DR AMBASSADOR WELCOMED US PRESENTATION, AND EXPRESSED INTEREST IN LARGE NUMBER OF AGRICULTURAL PRODUCTS IN WHICH DR WAS PRINCIPAL SUPPLIER, WHILE LAMENTING THAT SUGAR WAS NOT ALSO ON THE NEGOTIATING TABLE. HE NOTED THAT MANY OF THE DR MANUFACTURED EXPORTS WERE ASSEMBLED OR FABRICATED IN FREE TRADE ZONES, USING IMPORTED COMPONENTS, WHICH WOULD THEN BE REEXPORTED TO THE US UNDER TSUS 807.00 PROVISIONS. THIS WAS OF INTEREST TO THE GODR FOR THE EMPLOYMENT CREATED. HE NOTED THAT TOBACCO WAS A VERY SENSITIVE PRODUCT FOR THE DR AT THIS STAGE, AS THE WAREHOUSES WERE FILLED WITH LAST YEARS CROPS AND A RECORD CROP WAS ABOUT TO BE HARVESTED. HE WAS PARTICULARLY INTERESTED IN ADDITIONAL US OFFERS ON TOBACCO PRODUCTS, AS WELL AS
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IMPROVEMENTS IN OFFERS ALREADY MADE. DOMINICAN AMBASSADOR REFERRED TO DECREE 3214 OF DECEMBER 30 WHICH HAD CREATED A NATIONAL COMMISSION ON THE GATT UNDER THE MINISTRY OF FOREIGN RELATIONS. THE GODR PLANNED TO CONCENTRATE ITS'
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PAGE 03 GENEVA 04830 02 OF 02 311430Z

GENEVA ACTIVITIES ON THE GATT AND MTN NEGOTIATIONS, AND ON THE LAW OF THE SEA CONFERENCE.

7. DR AMBASSADOR UNDERTOOK TO INFORM SANTO DOMINGO OF PRODUCTS OF WHICH IT WAS A PRINCIPAL SUPPLIER TO ASCERTAIN IF ADDITIONAL REQUESTS WERE TO BE MADE. HE SAID THAT US INDICATIONS OF EXPORT INTEREST IN THE DR MARKET WERE UNDER INTENSIVE STUDY IN SANTO DOMINGO, AND HE EXPECTED TO

RECEIVE SOME NEGOTIATING INSTRUCTIONS WITHIN THE NEXT SEVERAL WEEKS. HE NOTED THAT ONE OF THE MAJOR DIFFICULTIES TO BE OVERCOME WOULD BE THE LOSS OF REVENUE RESULTING FROM TARIFF REDUCTIONS. GODR WAS CONSIDERING THE GRADUAL ELIMINATION OF CONSULAR FEES AND FORMALITIES, BUT HAD PROBLEM OF SECURING ALTERNATE FUNDING FOR PAYMENT OF CONSULS ABROAD.

8. AMBASSADOR ROSENBERG EMPHASIZED THE SERIOUSNESS WITH WHICH GODR WAS UNDERTAKING THESE NEGOTIATIONS, AND THAT PRINCIPAL TARGET WAS THE US MARKET. HE PROPOSED THAT ONCE ALL US OFFERS AND DOMINICAN CONTRIBUTIONS WERE ON THE TABLE, THAT A DELEGATION WOULD COME FROM SANTO DOMINGO TO ASSIST HIM IN FINALIZING THE NEGOTIATIONS. AMONG POSSIBLE NEGOTIATORS HE MENTIONED CEDOPEX DIRECTOR AND SUB-DIRECTOR, MARTINEZ AND SALADIN, AS WELL AS FORMER DOMINICAN AMBASSADOR TO US, SALVADORE ORTIZ.

9. COMMENT: US MTN DEL IS OPTIMISTIC GODR WILL PLAY AN ACTIVE ROLE IN THE CLOSING PHASE OF THE MTN NEGOTIATIONS; THEY ARE PRINCIPAL SUPPLIERS ON A NUMBER OF ITEMS ON WHICH THE US IS WILLING TO NEGOTIATE. US MTN DEL APPRECIATES EXCELLENT WORK OF AMERICAN EMBASSY SANTO DOMINGO IN EMPHASIZING THE IMPORTANCE OF MEANINGFUL GODR PARTICIPATION.

10. DRAFTED BY KNEPPER. MCDONALD

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Draft Date: 31 mar 1978
Decaption Date: 01 jan 1960
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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